



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

ENERGY

IN THE MATTER OF THE PETITION OF)	DECISION AND ORDER
SOUTH JERSEY GAS COMPANY TO REDUCE)	APPROVING STIPULATION
THE LEVEL OF ITS BASIC GAS SUPPLY)	FOR PROVISIONAL RATES
SERVICE CHARGE FOR BGSS YEAR ENDING)	DOCKET NO. GR09060429
SEPTEMBER 30, 2010)	

(SERVICE LIST ATTACHED)

BY THE BOARD:

BACKGROUND

Per the generic Order of the Board of Public Utilities ("Board") dated January 6, 2003, in Docket No. GX01050304 ("January BGSS Order"), each of the New Jersey's four gas distribution companies ("GDCs"), by June 1, submits to the Board its annual Basic Gas Supply Service ("BGSS") gas cost filing for the BGSS year beginning October 1. In addition, the January BGSS Order authorizes each GDC to self-implement up to a 5% BGSS increase effective December 1 of the current year and February 1 of the following year with one month's advance notice to the Board and the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel").

In accordance with the above noted Order, on June 1, 2009, South Jersey Gas Company ("Company" or "SJG") filed with the Board its annual petition to establish new Periodic BGSS ("BGSS-P") rates for the period October 1, 2009 through September 30, 2010. The Company's petition sought to decrease its BGSS-P rate from \$1.0627 per therm including taxes to \$0.8398 per therm including taxes. The Company also proposed to issue bill credits totaling \$20 million on customers' October 2009 bills. These changes, if approved, would have decreased the annual bill of a residential heating customer utilizing 100 therms of gas during a month by \$30.59 or 18.3%.

The petition also requested that the Board authorize that the gas cost portion of the Company's D-2 charge for Rate Schedule LVS be set at \$12.0788 per Mcf, including taxes; (2) the gas cost portion of the Firm D-2 charges be set at \$15.1393 per Mcf, and the Limited Firm D-2 charges at \$6.0394 per Mcf (including taxes) for Rate Schedule EGS-LV; 3) the gas cost portion of the D-2 charge at \$6.0394 per Mcf (including taxes) for Rate Schedule FES; and 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV at \$0.0645 per therm (including taxes). SJG also proposed that once a customer meets the monthly threshold for classification as a monthly BGSS customer and is determined to be a monthly BGSS customer, it will remain a monthly BGSS customer. Lastly, the Company requested a Storage Incentive Mechanism ("SIM") Accounting Order.

After publication of notice in newspapers of general circulation in SJG's service territory, a public hearing in this matter was held on August 11, 2009, in Voorhees, New Jersey. The public notice also advised customers that the January BGSS Order granted the Company the discretion to self-implement an increase in its BGSS-P rates to be effective December 1, 2009 and/or February 1, 2010 after prior notice to the Board and Rate Counsel, with each increase capped at 5% of the total residential bill. The public notice also stated that the Company is permitted to decrease its BGSS-P rate at any time upon two weeks notice to the Board and Rate Counsel. No members of the public appeared at the August 11 hearing to provide comments related to the Company's filing.

STIPULATION FOR PROVISIONAL RATES

Following a review by, and subsequent discussions among representatives of SJG, Rate Counsel and Board Staff, the only parties to the proceeding at this time (collectively, "the Parties"), the Parties entered into the attached Stipulation for Provisional Rates. The attached Stipulation for Provisional Rates solely addresses establishing new provisional BGSS-P rates for the Company.

The key provisions of the Stipulation are as follows:

- 1) The Parties have determined that additional time is needed to complete the review of Petitioner's proposed BGSS-P rates and related issues. However, the Parties also agree that pursuant to N.J.S.A. 48:2-21.1 it would be reasonable for the Board to authorize the following rate changes on a provisional basis, subject to refund with interest on any net over-recovered BGSS balance and an opportunity for a full review at the OAL, if necessary
- 2) The Parties stipulate and agree pending the conclusion of further review and discussion among the Parties, that the Board authorize the following rate changes on a provisional basis:
 - a) the Company's BGSS-P rate should be set at \$0.8398 per therm (including taxes), b) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS should be set at \$12.0788 per Mcf (including taxes); c) the gas cost portion of the Firm D-2 charges should be set at \$15.1393 per Mcf (including taxes), and the Limited Firm D-2 charges should be set at \$6.0394 per Mcf (including taxes) for Rate Schedule EGS-LV; d) the gas cost portion of the D-2 charge should be set at \$6.0394 per Mcf (including taxes) for Rate Schedule FES and e) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV should be set at \$0.0645 per therm including taxes. These rate changes, if approved, would decrease the annual bill of a residential heating customer utilizing 100 therms during a month by \$22.29 or 13.3%. The Parties also agreed that it is appropriate for SJG to issue bill credits totaling \$20 million on customers' October 2009 bills. The combined impact of the rate decrease and the bill credit is a decrease of \$30.59 or 18.3% in the annual bill of a residential heating customer utilizing 100 therms of gas during a month.

DISCUSSION AND FINDING

The Board, having carefully reviewed the record to date in this proceeding and the attached Stipulation for Provisional Rates, HEREBY FINDS that subject to the terms and conditions set forth below, the Stipulation for Provisional Rates is reasonable, in the public interest and in accordance with the law. Accordingly, the Board HEREBY ADOPTS the Stipulation for Provisional Rates as its own as if fully set forth herein.

The Board HEREBY APPROVES on a provisional basis, the Company's implementation of a decrease in the Company's after-tax per therm BGSS-P rate to \$0.8398, effective as of the date of this Order. The Board HEREBY APPROVES, on a provisional basis the setting of the gas cost portion of the following: 1) the D-2 charge for Rate Schedule LVS at \$12.0788 per Mcf (including taxes); 2) the Firm D-2 charges set at \$15.1393 per Mcf (including taxes), and the Limited Firm D-2 charges at \$6.0394 per Mcf (including taxes) for Rate Schedule EGS-LV; and 3) the D-2 charge set at \$6.0394 per Mcf (including taxes) for Rate Schedule FES, with all changes effective as of the date of this Order. Any net over-recovery on the BGSS at the end of the BGSS period shall be subject to refund with interest. The Board HEREBY APPROVES the issuance of a \$20 million bill credit to residential customers on their October 2009 bills.

The Board HEREBY DIRECTS that this matter be transmitted to the Office of Administrative Law for review, and evidentiary hearings if necessary.

The Board HEREBY ACCEPTS the revised tariff sheets as conforming to the agreement of the Parties to be effective for service rendered on and after the date of this Order.

The Company's gas costs will remain subject to audit by the Board. This Decision and Order shall not preclude nor prohibit the Board from taking any actions determined to be appropriate as a result of any such audit.

DATED:

9/16/09

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT



FREDERICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

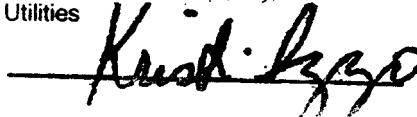

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Petition of South Jersey Gas Company to Change the Level of its Basic Gas Supply Service Docket No. GR09060429

Service List

<p>Stephanie Brand Department of the Public Advocate Division of Rate Counsel 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 kholmes@rpa.state.nj.us</p>	<p>Judy Appel, Esq. Department of the Public Advocate Division of Rate Counsel 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 jappel@rpa.state.nj.us</p>
<p>Henry M. Ogden, Esq. Department of the Public Advocate Division of Rate Counsel 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 hogden@rpa.state.nj.us</p>	<p>Felicia Thomas-Friel, Esq. Department of the Public Advocate Division of Rate Counsel 31 Clinton Street, 11th Floor P.O. Box 46005 Newark, NJ 07101 fthomas@rpa.state.nj.us</p>
<p>Jerome May, Director Division of Energy Board of Public Utilities Two Gateway Center Newark, NJ 07102 Jerome.may@bpu.state.nj.us</p>	<p>Sheila Iannaccone, Bureau Chief Division of Energy Board of Public Utilities Two Gateway Center Newark, NJ 07102 sheila.iannaccone@bpu.state.nj.us</p>
<p>Henry Rich, Supervisor Division of Energy Board of Public Utilities Two Gateway Center Newark, NJ 07102 henry.rich@bpu.state.nj.us</p>	<p>Beverly Tyndell, Rate Analyst Division of Energy Board of Public Utilities Two Gateway Center Newark, NJ 07102 beverly.tyndell@bpu.state.nj.us</p>

<p>Ira G. Megdal, Esq. Cozen O'Connor 457 Haddonfield Road P.O. Box 5459 Haddonfield, NJ 08002-2220 imegdal@cozen.com</p>	<p>Alex Moreau, Esq. Babette Tenzer, Esq. Department of Law & Public Safety 124 Halsey Street P.O. Box 45029 Newark, NJ 07102 Alex.moreau@dol.lps.state.nj.us Babette.tenzer@dol.lps.state.nj.us</p>
<p>Samuel A. Pignatelli, Vice President Rates & Regulatory Affairs South Jersey Gas Company One South Jersey Plaza Route 54 Folsom, NJ 08037 spignatelli@sjindustries.com</p>	<p>Daniel J. Bitonti, Esq. Cozen O'Connor 457 Haddonfield Road P.O. Box 5459 Haddonfield, NJ 08002-2220 DBitonti@cozen.com</p>

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
SOUTH JERSEY GAS COMPANY TO
CHANGE THE LEVEL OF ITS
PROVISIONAL BASIC GAS SUPPLY
SERVICE CHARGE FOR THE BGSS
YEAR ENDING SEPTEMBER 30, 2010**

BPU DOCKET NO. GR09060429

**STIPULATION FOR PROVISIONAL
BGSS RATES**

APPEARANCES:

Ira G. Megdal, Esquire, (Cozen O'Connor, attorneys) for South Jersey Gas Company ("Petitioner")

Judith Appel, Assistant Deputy Public Advocate, on behalf of the New Jersey Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel")

Alex Moreau, Deputy Attorney General, on behalf of the Staff of the Board of Public Utilities ("Staff")(Anne Milgram, Attorney General of the State of New Jersey).

TO: THE HONORABLE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

On June 1, 2009, South Jersey Gas Company ("South Jersey," or "Company," or "Petitioner") filed a Petition ("2009 BGSS Petition") for the period October 1, 2009 through September 30, 2010 ("BGSS Year"), in Docket No. GR09060429. That Petition requested that the Board of Public Utilities ("Board") approve a reduction of the level of the Company's periodic Basic Gas Supply Service Clause ("BGSS") charge from its then current level of \$1.0627 per therm (including taxes) to \$0.8398 per therm (including taxes), a reduction of \$0.2229 per therm. A typical residential heating customer using 100 therms per month would see a \$30.59 or 18% decrease in their monthly bill. The Company also proposed the following rates: the gas cost portion of the Company's D-2 charge for Rate Schedule LVS be set at \$12.0788 per Mcf (including taxes); 2) the gas cost portion of the Firm D-2 charges be set at

\$15.1393 per Mcf (including taxes), and the Limited Firm D-2 charges be set at \$6.0394 per Mcf (including taxes) for Rate Schedule EGS-LV; 3) the gas cost portion of the D-2 charge be set at \$6.0394 per Mcf (including taxes) for Rate Schedule FES; and 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV be set at \$0.0645 per therm (including taxes)(\$0.0602 excluding taxes). These changes would result in a decrease in annual revenues of approximately \$58.6 million. Petitioner also proposed that once a monthly customer meets the monthly threshold and is determined to be a monthly BGSS customer, it will remain a monthly BGSS customer. Lastly, the Petitioner requested a Storage Incentive Mechanism ("SIM") Accounting Order. This Stipulation addresses only the changes in the Company's BGSS rates.

2. A public hearing for the 2009 BGSS Petition was held on August 11, 2009 in Voorhees, New Jersey. The public hearing was noticed in newspapers of general circulation within South Jersey's service territory. No members of the public appeared to provide comments relating to the Company's request to decrease its Periodic BGSS rates.

II. STIPULATION TERMS

3. South Jersey, Staff, and Rate Counsel, the only parties to this proceeding (collectively the "Parties"), have discussed certain matters at issue in this proceeding. As a result of those discussions, the Parties have determined that additional time is needed to complete a comprehensive review of South Jersey's proposed BGSS rates and other aspects of the Company's BGSS Petition. However, the Parties agree that the provisional implementation of the proposed BGSS rates, subject to refund with interest on any net over-recovered BGSS balance, is reasonable at this time.

4. Accordingly, the Parties stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize a provisional decrease in South Jersey's Periodic BGSS rate from \$1.0627 per therm (including taxes) to \$0.8398 per therm (including taxes) effective September 16, 2009, or on such other date as the Board deems appropriate.

5. The Parties stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize the following rates on a provisional basis: 1) the gas cost portion of the Company's D-2 charge for Rate Schedule LVS at \$12.0788 per Mcf (including taxes); 2) the gas cost portion of the Firm D-2 charges at \$15.1393 per Mcf (including taxes), and the Limited Firm D-2 charges at \$6.0394 per Mcf (including taxes) for Rate Schedule EGS-LV; 3) the gas cost portion of the D-2 charge at \$6.0394 per Mcf (including taxes) for Rate Schedule FES; and 4) the monthly BGSS non-commodity rate applicable to Rate Schedules GSG, GSG-LV, EGS, LVS and EGS-LV at \$0.0645 per therm (including taxes)(\$0.0602 excluding taxes).

6. The proposed Periodic BGSS charge set forth in this Stipulation of \$0.8398 per therm, including taxes, will decrease the bill of a residential customer using 100 therms during a month from \$167.52 to \$145.23. This is a decrease of \$22.29 or 13.3%. The total reduction of \$58,648,772 (including taxes) would result in a total revenue recovery of \$276,071,372 (including taxes) to the Company.

7. The Parties stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be both reasonable and in the public interest for the Board to authorize a provisional decrease in the monthly BGSS non-commodity rate component to

\$0.0645 per therm (including taxes)(~~\$0.0602~~ excluding taxes), which is a reduction of \$0.01 from the current rate.

8. The above BGSS rates are on a provisional basis, subject to refund with interest on any net over-recovered BGSS balance, and opportunity for full review at the Office of Administrative Law ("OAL"), if necessary, and final approval by the Board.

9. Furthermore, the Parties stipulate and agree that pending the conclusion of further review and discussion among the Parties, it would be reasonable and in the public interest for the Board to allow the Company to issue bill credits totaling \$20 million on customers' October 2009 bill statements in lieu of a further BGSS rate decrease. The average residential heating customer will see a \$68.00 credit on its October 2009 bill statement.

10. The combined effect of the reduction in the Company's BGSS rate and October 2009 bill credit will decrease the bill of a residential customer using 100 therms during a month by \$30.59, or 18.3%.

11. Attached to this Stipulation are tariff sheets implementing the terms of this Stipulation.

12. The undersigned recommend that the Board transmit this matter to the OAL for hearing of all issues, including provisional rates, if necessary.

III. MISCELLANEOUS

13. This Stipulation represents a mutual balancing of interests and, therefore, is intended to be accepted and approved in its entirety. In the event this Stipulation is not adopted in its entirety by the Board, then any party hereto is free to pursue its then available legal

remedies with respect to all issues addressed in this Stipulation as though this Stipulation had not been signed.

14. It is specifically understood and agreed that this Stipulation represents a negotiated interim agreement and has been made exclusively for the purpose of this proceeding. Except as expressly provided herein, South Jersey, Staff, and Rate Counsel shall not be deemed to have approved, agreed to, or consented to any principle or methodology underlying or supposed to underlie any agreement provided herein. Also, all rates are subject to Board audit.

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

By: Ira G. Megdal
Ira G. Megdal, Esq.
Cozen O'Connor

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey Board of Public Utilities

By: Alex Moreau
Alex Moreau
Deputy Attorney General

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: _____
Judith Appel
Assistant Deputy Public Advocate

Dated: _____

WHEREFORE, the Parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

SOUTH JERSEY GAS COMPANY

By: Ira G. Megdal
Ira G. Megdal, Esq
Cozen O'Connor

ANNE MILGRAM
ATTORNEY GENERAL OF THE
STATE OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

By: _____
Alex Moreau
Deputy Attorney General

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY

STEFANIE A. BRAND
DIRECTOR, DIVISION OF RATE COUNSEL

By: Judith Appel
Judith Appel
Assistant Deputy Public Advocate

Dated: 9/10/09

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 9 - GAS

**Fourteenth Revised Sheet No. 29
Superseding Thirteenth Revised Sheet No. 29**

LARGE VOLUME SERVICE (LVS)

(continued)

(c) All consumption for customers who elect
Firm Sales Service

Demand Charge:

D-1: \$11.4593 per Mcf of Contract Demand

Volumetric Charge:

C-1: \$.0916 per therm

Basic Gas Supply Service ("BGSS") Charge:

Demand Charge:

D-2: \$12.0788 per Mcf of Contract Demand.

Volumetric Charge:

C-2: See Rider "A" of this Tariff.

PRICE TO COMPARE:

The Company will provide the Price to Compare for an LVS customer, at said customer's request.

LINE LOSS:

Line Loss shall be 2.80% as provided in Special Provision (h).

MINIMUM BILL:

Sum of monthly Customer Charge and monthly Demand Charges, irrespective of use.

APPLICABLE RIDERS:

Basic Gas Supply Service Clause:

The C-2 rate is depicted in Rider "A" of this Tariff.

Capital Investment Recovery Tracker:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "B" of this Tariff.

Societal Benefits Clause:

The rates set forth above have been adjusted, as is appropriate, pursuant to Rider "E" of this Tariff.

Economic Development Rate Clause:

The rates set forth above are subject to adjustment, as is appropriate, pursuant to Rider "H" of this Tariff.

Issued September 16, 2009
by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after September 16, 2009

Filed pursuant to Order in Docket No. GR09060429 of the Board of
Public Utilities, State of New Jersey, dated September 16, 2009

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 9 - GAS

**Fifteenth Revised Sheet No. 33
Superseding Fourteenth Revised Sheet No. 33**

FIRM ELECTRIC SERVICE (FES)

APPLICABLE TO USE OF SERVICE FOR:

All gas that is purchased or transported to generate electricity. Provided, however, that in order to qualify for this Rate Schedule FES, a customer must have a Winter Daily Contract Demand of 1,000 Mcf per day or more, or a Summer Daily Contract Demand of 2,000 Mcf per day or more, or both. To be eligible for Firm Transportation Service under this Rate Schedule FES, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service and Firm Transportation Service.

MONTHLY RATE ^{(1) (2)}

WINTER (November – March):

Demand Charge:

- D-1 \$3.1000 per Mcf of Winter Daily Contract Demand
- D-2 \$6.0394 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge: ⁽³⁾

- C-1: \$.0641 per therm of consumption
 - C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
 - C-3: \$.1432 per therm of consumption
 - C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.
- Minimum Bill:** The monthly D-1 and D-2 charges, irrespective of use.

SUMMER (April – October):

Demand Charge:

- D-1 \$3.1000 per Mcf of Summer Daily Contract Demand
- D-2 \$6.0394 per Mcf of Daily Billing Determinant or \$0 for Firm Transportation customers

Volumetric Charge: ⁽³⁾

- C-1: \$.0641 per therm of consumption
- C-2: FES Monthly Commodity Rate, pursuant to Rider "A" and Special Provision (x), OR Customer Owned Gas Clause, Rider "D"
- C-3: \$.1432 per therm of consumption
- C-4: Escalator Rate – Charge may change monthly pursuant to Standard Gas Service Addendum.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ Please refer to Special Provision (q)

⁽³⁾ For customers who transferred from a Sales Service other than Rate Schedule FES, see Special Provision (o)

Issued September 16, 2009
by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after September 16, 2009

Filed pursuant to Order in Docket No. GR09060429 of the Board of
Public Utilities, State of New Jersey, dated September 16, 2009

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 9 - GAS

**Fourteenth Revised Sheet No. 45
Superseding Thirteenth Revised Sheet No. 45**

ELECTRIC GENERATION SERVICE – LARGE VOLUME (EGS-LV)

APPLICABLE TO USE OF SERVICE FOR:

All commercial and industrial electric generation facilities; all Prime Movers and all engine driven equipment (whether or not used for electric generation). Provided, however, that in order to be eligible for this Rate Schedule EGS-LV, a customer must have a Firm Daily Contract Demand of 200 Mcf per day or more. To be eligible for Firm Transportation Service under this Rate Schedule EGS-LVS, a customer must hold clear and marketable title to gas that is made available for delivery to customer's facility on the Company's system.

CHARACTER OF SERVICE:

Firm Sales Service, Firm Transportation Service, Limited Firm Sales Service and Limited Firm Transportation Service.

MONTHLY RATE: ⁽¹⁾

FIRM:

Demand Charges: ⁽³⁾

- D-1 \$14.3926 per Mcf of Firm Daily Contract Demand.
- D-2 \$15.1393 per Mcf of Firm Daily Contract Demand or \$0 for Firm Transportation customers.

Volumetric Charge: ⁽²⁾

- C-1: \$.0641 per therm of consumption
- C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"

Minimum Bill: Monthly D-1 and D-2 charges, irrespective of use.

LIMITED FIRM:

Demand Charge:

- D-2 \$6.0394 per Mcf of Limited Firm Daily Contract Demand or \$0 for Limited Firm Transportation customers

Volumetric Charge: ⁽²⁾⁽³⁾

- C-1: \$.0641 per therm of consumption
- C-2: As depicted in the Monthly BGSS Subrider of Rider "A" of this Tariff, OR Customer Owned Gas Clause, Rider "D"
- C-3 \$.1432 per therm for all consumption within Limited Firm Contract Demand level.¹

Minimum Bill: Monthly D-2 charge, irrespective of use.

⁽¹⁾ Please refer to Appendix A for components of Monthly Rates.

⁽²⁾ For customers who transferred from a Sales Service other than Rate Schedule EGS-LV, see Special Provision (h).

⁽³⁾ Please refer to Special Provision (k).

Issued September 16, 2009
by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after September 16, 2009

Filed pursuant to Order in Docket No. GR09060429 of the Board of
Public Utilities, State of New Jersey, dated September 16, 2009

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 9 - GAS

**Seventy-Sixth Revised Sheet No. 63
Superseding Seventy-Fifth Revised Sheet No. 63**

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")**

APPLICABLE TO:

Rate Schedule RSG	Residential Service
Rate Schedule GSG	General Service
Rate Schedule GSG-LV	General Service - Large Volume
Rate Schedule LVS	Large Volume Service
Rate Schedule FES	Firm Electric Service
Rate Schedule EGS	Electric Generation Service
Rate Schedule EGS-LV	Electric Generation Service - Large Volume

APPLICABLE RATES:

Periodic BGSS Subrider (Effective September 16, 2009)¹:

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>	<u>Air Conditioning Credit Special Provision (9) 2008 (per therm)</u>
RSG	\$0.7834	\$0.8398	\$0.6084
GSG (under 5,000 therms)	\$0.7834	\$0.8398	\$0.6084

Monthly BGSS Subrider (Effective September 1, 2009):

<u>Rate Schedule</u>	<u>BGSS Rate Before Taxes (per therm)</u>	<u>BGSS Rate With Taxes (per therm)</u>
LVS C-2	\$0.3383	\$0.3620
FES	\$0.3079	\$0.3295
EGS	\$0.3782	\$0.4047
EGS-LV Firm C-2	\$0.3331	\$0.3564
EGS-LV Limited Firm C-2	\$0.3583	\$0.3834
GSG-LV	\$0.3782	\$0.4047
GSG (5,000 therms or greater)	\$0.3782	\$0.4047

The above Periodic and Monthly BGSS rates shall include the BGSS cost savings established in Rider "M" to this Tariff.

¹ Reflects currently approved Total BGSS Rate.

Issued September 16, 2009
by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after September 16, 2009

Filed pursuant to Order in Docket No. GR09060429 of the Board of
Public Utilities, State of New Jersey, dated September 16, 2009

SOUTH JERSEY GAS COMPANY

B.P.U.N.J. No. 9 - GAS

**Sixth Revised Sheet No. 67
Superseding Fifth Sheet No. 67**

**RIDER "A"
BASIC GAS SUPPLY SERVICE CLAUSE ("BGSSC")
(Continued)**

<u>Rate Schedule</u>	<u>D-2 Deduction Including Taxes</u>
LVS	\$.0384
EGS-LV Firm	\$.0481
EGS-LV Limited Firm	\$.0192

SPECIAL PROVISIONS:

- (1) The self-implementing Periodic BGSS and Monthly BGSS rate filings will be self-implementing compliance filings. The implementation of the rates will not require any further Order of the Board.
- (2) Each self-implementing BGSS rate change will be posted on the Company's website within four (4) working days of its submission to the Board. Each other BGSS rate change will be posted on the Company's website within four (4) working days of receipt of a written order from the Board, approving such rate change.
- (3) Updated tariff sheets to reflect any change to the Monthly BGSS rate
- (4) Interest shall be passed on to customers through the Periodic BGSS rate at the beginning of each BGSS Year succeeding any BGSS Year in which any monthly gas cost overrecovery has taken place. Any debit or credit balance in the separate deferred revenue or cost of gas accounts shall be determined monthly. Monthly interest shall be calculated on the average of the current and prior months' ending cumulative deferred revenue or cost of gas balances. Interest on such gas costs shall be calculated utilizing the Company's Board-allowed overall rate of return as the same shall be in effect from time to time.
- (5) For the transition to the Monthly BGSS, the Company will estimate its net deferred balance as of March 1, 2003. Any underrecovery balance associated with Monthly BGSS customers will be collected over a period of up to twelve months based upon the estimated Firm Sales for the period. At the end of this period, if there is a remaining deferred cost balance to be recovered from the Monthly BGSS customers, the rate component used to recover such balance in the prior twelve month period shall be continued into future months until the deferred balance becomes positive as an overrecovery, which then will be transferred to the Periodic BGSS mechanism.
- (6) Gas costs and related recoveries from the Monthly BGSS will flow to the deferred balance in the Periodic BGSS mechanism.
- (7) As used in this Tariff, BGSS Year shall mean a twelve (12) month period commencing October 1 and ending September 30.
- (8) "Left blank intentionally."

Issued September 16, 2009
by South Jersey Gas Company,
E. Graham, President

Effective with service rendered
on and after September 16, 2009

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